



North Carolina Department of Natural and Cultural Resources

Grassroots Science Grant Program Guidelines

Purpose of Report

The new Grassroots Science Grant Program was established by the North Carolina General Assembly in Session Law 2015-241. House Bill 97 assigns the responsibility of developing, promoting, and managing a new statewide grant program with current funding exceeding \$2.44 million to the North Carolina Museum of Natural Sciences.

Based on Session Law 2015-241 House Bill 97, the Grassroots Science Grant Program will be undergoing significant changes in 2016. This program will become a competitive grant program, move from the Department of Commerce to the Department of Natural and Cultural Resources (DNCR) with the Museum of Natural Sciences administering the program.

GRASSROOTS SCIENCE PROGRAM/COMPETITIVE GRANT PROGRAM

SECTION 15.18A.(a) Effective July 1, 2016, the Grassroots Science Program within the Department of Commerce is transferred to the North Carolina State Museum of Natural Sciences in the Department of Natural and Cultural Resources, as enacted by Section 14.30 of this act. Page 296 Session Law 2015-241 House Bill 97

"§ 143B-135.227. Grassroots science competitive grant program.

- (a) The North Carolina State Museum of Natural Sciences (hereinafter "Museum of Natural Sciences") shall administer the Grassroots Science Program as a competitive grant program. Any museum in the State may apply for a grant under the program, including a museum that has received a grant-in-aid as a grassroots science museum in prior fiscal years, but grant funds shall be awarded only if the museum meets the criteria established in subsection (d) of this section. No museum shall be guaranteed a grant under the competitive grant program.

The statute includes the following criteria:

1. The museum must be a science center or museum or a children's museum that is physically located in the State.
2. The museum must be open, operating, and exhibiting science or science, technology, engineering, and math (STEM) education objects to the general public at least 120 days of each year for the past two or more years.
3. The museum must be a nonprofit organization that is exempt from federal income taxes pursuant to section 501(c) of the Internal Revenue Code.
4. The museum has on its staff at least one full-time professional person.

5. The museum's governing body has adopted a mission statement that includes language that shows the museum has a concentration on science or STEM education and that the adopted mission statement has been in effect for the past two or more years.

The funding component is as follows:

Total amount funded: \$2,448,430

- \$750,000 Available to Tier 1 County applicants
- \$600,000 Available to Tier 2 County applicants
- \$1,148,430 Additional available to applicants regardless of County Tier

Limitations

- \$75,000 Maximum award available to each Tier 1 County applicant
- \$60,000 Maximum award available to each Tier 2 County applicant
- \$50,000 Maximum award available to each Tier 3 County applicant

SECTION 15.18A.(d) By March 1, 2016, the Museum of Natural Sciences shall submit guidelines for the submission of applications and the awarding of grants for the competitive grant program provided for in subsection.

Background Information

For the past several years, the Grassroots Science Program funding was managed by the North Carolina Department of Commerce. Individual museums were allocated funding based on individual line items in the State Budget using a specific funding formula. The process included a contract with the funded organization along with a scope of work and also required annual reporting through the ncgrants.gov on-line reporting system through the Office of State Budget and Management (OSBM) as stipulated in the legislation. Prior to moving to NC Department of Commerce, the funding was managed by the former NC Department of Environment & Natural Resources, NC Museum of Natural Sciences for at least eight years.

The individual museums receiving state funding during past years are mostly a part of the Grassroots Science Collaborative. This group has grown to include 32 small- to medium-sized STEM focused museums of various types, State-wide. This nonprofit has existed primarily to advocate for their state funding assistance, currently an annual total of approximately \$2.5 million. Under the program's previous design, annual grants for member institutions were in accordance with a formula prescribed by the Legislature. As examples, amounts ranged from \$60,000 for the small, almost entirely volunteer-run Aurora Fossil Museum, to \$93,000 for the Catawba Science Museum, to \$198,000 for the Museum of Life and Science in Durham, and \$250,000 for Discovery Place in Charlotte. Such grants-in-aid funding have been a vital contributions to each eligible institution. This funding has usually been devoted to general, operating support.

The website for the Grassroots Science Collaborative is <http://www.ncscience.org/>. It hasn't been updated recently. With the new guidelines designated by the 2015 statute, 20 museums within the Grassroots Science Collaborative will be eligible for less money and 12 will be eligible for an increase in funding. The range varies from a decrease of \$190,000 to a maximum increase of the roughly \$20,000.

Proposed Guidelines

The North Carolina Museum of Natural Sciences leadership outlined guidelines and clarified interpretation in response to the General Statute. All applicants must meet the following criteria to be eligible to receive grant funding based upon the General Statute:

Applications are ranked by using the following quantitative criteria set forth by the NC General Assembly along with a commonly used percentage allocation. Eligible applicants may receive an award based on the amount allowable by their county's Tier. Tier 1 applicants will be processed first, then Tier 2, then Tier 3 until all funding is exhausted. While the following allocation is in line with best practices, considerations for change have been identified.

33% (1) When compared to other museum applicants:

11% a. Are located in counties that are more economically distressed according to the annual rankings prepared by the Department of Commerce pursuant to G.S. 143B-437.08(c).

- Based on the applicant's ranking within their tier cohort

11% b. Generate a larger portion of their operating funds from non-State revenue.

- A simple ratio of State to Non-State funding will determine percent value.

11% c. Have a higher attendance-to-population ratio.

- A simple attendance to county population (per last available census) will determine percent value.

34% (2) Partner with other museums in the State to share exhibits, programs, or other activities.

- This will be interpreted based on a narrative submitted by the applicant as well as submitting letters of support

33% (3) Are not located in close proximity to other science or STEM education museums.

- Determined by straight line distance to closest eligible applicant. Range determined by minimum/maximum distance between eligible applicants.
- Percentage will be based upon the number of documented museum partners in the past fiscal year. The range determined by the highest number of partners in an applicant's cohort of applications.

Application Details

The Application will include requests for the following information:

- 1) A narrative describing the museum, a list of their board of directors and bylaws or articles of incorporation
- 2) Mission statement(s) for the past two years with an explanation of how it meets the criteria described by statute. (STEM characteristics will be based on definitions generated by the NC STEM Center)
- 3) Current line-item budget, including a narrative of how grant funds will be used
- 4) Documentation that applicant meets Association of Science – Technology Center (ASTC's) definition of a science center, the International Council of Museum's (ICOM) definition of a museum, or Association of Children's Museum (ACM's) definition of a children's museum as well as applicant's physical address
- 5) Evidence that applicant is open, operating and exhibiting science or STEM education objects to the general public at least 120 days of each year for the past two or more years
- 6) Copy of the IRS 990 form (required of 501(c)3 entities) with the application

- 7) Evidence to certify that they have no outstanding tax liability
- 8) Copy of tax exempt status letter
- 9) Documentation describing its full-time professional staffer
- 10) Letters of support from the partners

Advisory council

The Natural Science Museum will create a grant committee to review the applications to determine how the allocations of the \$2.44 M will be dispersed. The intention of the grant committee is to have qualified and objective professionals reviewing the applications. This committee will make the recommendations. The panel would act as a third party to certify annual award results, providing an additional layer of transparency. The Director of the North Carolina Museum of Natural Sciences will be charged with presenting the advisory committees recommendation for final approval. The Secretary of the Department of Natural and Cultural Resources will have final authority over the distribution of grants.

The advisory committee includes:

- 1) Three members from the Advisory Commission of the North Carolina Museum of Natural Sciences (who are appointed by the Governor)-representing the Mountain, Piedmont and Coastal Plains regions
- 2) One member from the Science, Technology and Math Center
- 3) One member appointed by the Secretary of Natural and Cultural Resources [Should this be the chair?]

Implementation Process and Timing

For the implementation process, accountability and timing of the grant program, the Department of Natural and Cultural Resources will use the experience of the North Carolina Arts Council grant program for guidance. This is a mature model for a grant administration process, and although the science and art disciplines are different, the experience of the NCAC will be helpful in setting up this program. The program will model the NCAC grants process, using as a base its application, timeline, contracting and monitoring procedure. The Department Natural and Cultural Resources is reviewing many aspects of this new competitive grant process and will be identifying the following steps:

- Application on line
- Questionnaire for narrative on partnership
- 2016 timeline
- 2017 timeline
- Contracting process
- Monitoring process

Once applicants are determined, the Museum of Natural Sciences will use the Office of State Budget and Management's grant contract provisions for non-state entities.

Considerations

In February, the Grassroots Collaborative met in Raleigh for their annual meeting. The two-day session included discussions over the new competitive grant process and the Department of Natural and Cultural Resources solicited feedback from the museum audience. While there was a general positive response to the change, through discussions and a survey, the feedback highlighted a few areas of concern. The DNCR and the Museum of Natural Sciences

leadership team identified other opportunities for change. That having been noted, all stakeholders are committed to execute a competitive grant process for the benefit of positive change among Science Museums of North Carolina. Changing to a competitive model requires extensive analysis and the following considerations are offered to encourage a positive program.

- 1) **Rename the program to the North Carolina Science Museum Grant Program.** Remove any mention of “grassroots” due to the change to a competitive grant program.
- 2) **Review the guidelines after one year.** The opportunity to migrate to a competitive program encourages change across all of the museums. While the Grassroots Collaborative is undergoing change in response to the new competitive grant process, it’s difficult to transition to a mature grant process in one year. DNCR and NSM requests the opportunity to review the guidelines to identify any opportunities for improvement.
- 3) **Require the applicants to describe how funds will be used and offer measureable results at end of cycle.** This is in line with other grant programs and encourages positive spending and tracking of programming and operating dollars. This also creates transparency.
- 4) **Modify statute language to reflect the Department of Commerce’s standard method for economic distress.** Currently, the Department of Commerce (Commerce) utilizes the Tier system to differentiate economic distress across North Carolina among the counties. As Commerce reviews the Tier system, it would be suitable for this grant process to utilize the accepted method. As a result, the Grassroots dependence upon tier system may need to be altered for 2017-2018 fiscal year. In addition, many of the museums noted their location may be on the border of two counties and therefore may be servicing two different tiers.
- 5) **Include operating support.** In order to maximize the effectiveness of this new program, the NC Museum of Natural Sciences requests that two full time equivalents (FTE) be created as part of the program to aid with the continued administration of the program in the role of a Grant Manager and assistant. Given the statewide responsibilities, the position would reside in the NC Museum of Natural Sciences’ Regional Network section. This would encourage a positive change to the grants progress. These position’s duties would include, but not be limited, to the following:
 - Develop and manage grant application materials with annual updates
 - Develop and manage promotional materials with annual updates
 - Serve as the liaison between the NC Museum of Natural Sciences and grant applicants, and external review panel members
 - Receive, process, and help score grant applications
 - Track all grant awards
 - Request, receive, process and file award reports
 - Develop reports for the NC Museum of Natural Sciences, NCNCR, and NCGA as required
 - Work with NC Museum of Natural Sciences, NCNCR, and NCGA as required to make future improvements to the grant program
 - Work to develop partnerships between the NC Museum of Natural Sciences, NCDNCR, and non-state science museums
 - Encourage the sharing of programming and best practices and work with the current Grassroots Collaborative
- 6) **Review the Not for profit requirement.** Some museums are owned and operated by local government but rely upon state support. There are a few options to consider. These museums could be given an exemption but be encouraged to start a nonprofit for the future recognizing this is a lengthy process. Other options include altering this requirement or allowing for long-term exemptions in the spirit of local involvement for this requirement is penalizing those that are set up as private/public partnership.

- 7) **Revisit close proximity requirement.** If market can bear multiple museums the demand for such museums will be evident based upon attendance. Comparisons among science museums may be faulty as some museums target a research driven audience while others may offer more child friendly programming. This limits funding to populated markets that may service a large audience including the economically distressed population. Instead, the leadership teams have ideas to encourage museums to partner within a region and to reach out to other counties. In addition, if the intention is to limit duplicated services, close proximity does not directly address it.
- 8) **Revisit requirement of “counties located in economically distressed” regions.** The limits on funding already address the Tier 1, 2 and 3 counties. This requirement appears to be redundant.
- 9) **Identify solution to create positive change within this grant process.** Build in a way for tier 3 museums to get more than the \$50,000 if they provide support to museums in tier 1 and 2 counties. The current museums receiving significant funding recognize the demographic and economic trends in North Carolina and the need to address the economically distressed areas. Their leadership is looking for opportunities to encourage the stronger participants in the Science Museum field to help support the smaller museums by sharing best practices, conducting on-site training and committing to shared programming. There’s a great opportunity to encourage positive development across North Carolina in the Science Museum field and this grant program is unique in the US. North Carolina could be a leader in this practice and the leadership team is committed to identifying the right model. The Arts Council, the Library Division and other DNCR entities serve as excellent role models for positive change.
- 10) **Confirm how funds will be distributed if limited museums qualify for the full \$2.44 M.** The opportunity to encourage further development of museums within the Science Museum field across the state is evident. The current requirements may limit the progress resulting in an imbalance of financial distribution.